

# Q3 2024 GBP

KBI Global Investors

## KBIGI Water Strategy



### Summary Details

Assets under Mgmt.	£2.9bn
Inception Date	04 Mar 2006
Benchmark	MSCI ACWI Index NR
Number of Stocks	47
Revenue Alignment SDG Score	75.1%

### Risk Characteristics

Beta (10 Yrs)	1.00
Information Ratio (10 Yrs)	0.02

Portfolio Statistics	Strategy	Index
Current Dividend Yield	2.3%	1.8%
Price to Earnings (forward)	17.4x	17.8x
Price to Book	2.7x	3.3x
Weighted Avg Market Cap.	\$15.3bn	\$619.6bn

Source: KBI Global Investors as of 30/09/24. The risk characteristics are calculated independently by KBI Global Investors using monthly gross returns of the composite over a 10 year period relative to the Index as at the 30/09/24. Portfolio and Benchmark Statistics are from a representative account managed to the same strategy and the benchmark respectively. KBI Global Investors independently estimate these statistics for both the portfolio and the benchmark. The AUM listed above is Water Strategy AUM excluding Assets under Advisement from Q1 2022. Weighted Avg. Mkt. Cap figures are in US Dollars. The Revenue Alignment SDG Score measures the portfolio contribution to the achievement of United Nations Sustainable Development Goals. Calculations are based on KBIGI's own methodology and are not independently verified as at 06/30/2024 (quarterly).

### Investment Thesis

There are compelling investment opportunities in companies providing solutions to resource scarcity across water, food and energy driven by five long term trends.

- Inadequate supply of water, cleaner energy and arable land for farming
- Increasing demand for resources, driven by population growth, industrialisation and urbanisation
- Increasing regulation and government support
- Increasing investment in infrastructure to address urgent global requirements
- Increasing investment in technology to create solutions and facilitate the more efficient use of resources

### Annualised Performance (£)

	3Mths	YTD	1Yr	3Yrs	5Yrs	10Yrs
Fund (Gross)	3.6	9.1	21.1	9.2	12.1	11.6
Benchmark	0.5	12.8	19.9	8.3	10.3	11.5

Source: KBI Global Investors, Datastream as of 30/09/24.

KBI calculate both composite returns and benchmark returns. Returns are gross of fees in GBP. Our firm claims GIPS compliance and is annually verified by an independent verification firm to be so. The verification report from our verifier and our GIPS composite presentation are available upon request. The performance record disclosed here is that of the firm's composite for this strategy. The Water strategy gives investors the opportunity to invest in companies whose revenues are closely linked to the water industry. The strategy invests in circa 30 to 60 internationally diversified companies active across the water cycle - the range of activities needed to provide clean water to the end user (human, industrial, agricultural) and return it to nature. The firm invests across all parts of the cycle including: Water and Wastewater Treatment, Water Testing, Infrastructure, Filtration, Engineering/Consulting Services and Pumps/Valves. The investment team evaluates and integrates ESG into the analysis conducted to determine the fundamental value of the companies it invests in. The strategy is managed by a dedicated, specialist team of investment professionals in Boston, USA and Dublin, Ireland. The material risks associated with the composite include market risk and stock-specific event risk. Share prices can decline and there is a risk that the composite may under-perform its benchmark. The benchmark is the MSCI AC World Index, inclusive of net income. The benchmark is designed to measure the equity market performance of developed and emerging market countries from where the strategy draws its securities. The benchmark is market-cap weighted. Sources of foreign exchange rates may be different between the composite and the benchmark; but not materially so. See disclaimers for further information.

### Portfolio Positioning

#### Segment Breakdown

Sector	%
Infrastructure	34.7
Utilities	33.6
Water Technologies	31.7

#### Geographical Breakdown

Region	%
North America	53.2
Europe	32.9
Emerging Markets	7.5
Japan	6.4

#### Top 10 Holdings

Stock	Country	%
Veolia Environnement SA	France	6.3
Essential Utilities Inc	US	4.7
IDEX Corp	US	4.6
United Utilities Group Plc	UK	4.6
Xylem Inc	US	4.6
Kurita Water Industries Limited	Japan	3.8
Aecom	US	3.6
American Water Works Company Inc	US	3.5
Weir Group Plc	UK	3.1
Roper Technologies Inc	US	3.1

Source of all data: KBI Global Investors. Data as of 30/09/24

## Strategy Overview

The KBI Global Investors' Water Strategy is a long-only, high-conviction global equity portfolio investing in 30-60 global companies providing solutions to water scarcity. The strategy has been investing in companies active across all parts of the water cycle including Water and Wastewater Utilities, Water Infrastructure and Water Technology since 2000.

The Water Strategy provides exposure to a number of dominant and persistent themes:

- Global growth
- Natural resource scarcity
- Infrastructure spending
- Emerging market growth
- Mergers and acquisitions

Water brings new sources of alpha to a global equity allocation. Specialist active management is the best way to capture this alpha, carefully qualifying a universe of stocks to ensure exposure to the water theme and then identifying companies with strong fundamentals, leading products, and attractive valuations.

## Investment Process

**Our investment process is designed to use our specialist skills to precisely define each theme, construct a proprietary investment universe and then build a concentrated, high conviction portfolio designed to outperform the broad market and passive alternatives**

### Investment Universe Definition

- Precisely defined opportunity set for investment to ensure exposure to drivers of resource scarcity
- Companies for inclusion: Pure Plays and Market Leaders

### Weighting Sector

- Focus on bottom up fundamentals and valuation with an overlay of top down influences

### Stock Selection

- Focus on stocks with exposure to key themes driving earnings growth, strong fundamentals, competitive advantages, strong management and attractive valuation

## Investment Team

Water Portfolio Management Team	Role	Industry Experience
<b>Catherine Cahill</b>	Lead Portfolio Manager	24yrs
<b>Matt Sheldon</b>	Lead Portfolio Manager	22yrs
<b>Martin Conroy</b>	Co Portfolio Manager	21yrs
Investment Team	Title	Investment Experience
<b>Noel O'Halloran</b>	Chief Investment Officer	37yrs
<b>Colm O'Connor</b>	Head of Portfolio Management NR Team	22yrs
<b>Treasa Ni Chonghaile</b>	Senior Portfolio Manager	25yrs
<b>Andros Florides</b>	Senior Portfolio Manager	29yrs
<b>Eoin Fahy</b>	Head of Responsible Investing	36yrs
<b>Ben Cooke</b>	Portfolio Manager	8yrs
<b>Jeanne Chow Collins</b>	ESG & Engagement Analyst	24yrs
<b>Robert Fullam</b>	Investment Analyst	10yrs

## Contact Details

Address: KBI Global Investors Ltd.  
 3rd Floor, 2 Harbourmaster Place  
 IFSC  
 Dublin 1  
 Ireland

Phone: +353 1 438 4400 Email: [info@kbigi.com](mailto:info@kbigi.com)

Web: [www.kbiglobalinvestors.com](http://www.kbiglobalinvestors.com)

## Disclaimer

KBI Global Investors Ltd is regulated by the Central Bank of Ireland. KBI Global Investors claims compliance with the Global Investment Performance Standards (GIPS®). Gross results shown do not show the deduction of investment management fees. A client's actual return will be reduced by the management fees and any other expenses which may be incurred in the management of an investment account. For example, a £1,000,000 investment with an assumed annual return of 5% with a management fee of 0.85% would accumulate £8,925 in fees during the first year, £48,444 in fees over five years and £107,690 in fees over ten years. Under MiFID II this is deemed marketing material and should not be regarded as investment research. The firm is defined as the institutional business of KBI Global Investors Ltd., and its subsidiary, KBI Global Investors (North America). The term 'institutional business' shall have the meaning of all pensions, charity and corporate asset management strategies of the firm as they pertain to client funds. Unitised clients are specifically excluded from composite assignment given that their underlying unit holdings are already assigned to composites and such strategies are therefore accounted for in composite values and returns. The firm definition has been re-defined on two occasions over recent years; on 30 September 2010 to reflect the firm's sale to RHJI by our previous parent firm KBC Asset Management NV, and on 1 October 2016 to reflect the firm's sale to Amundi Asset Management. No change in investment process arose as a result of these sales. To receive a copy of the compliant presentation and/or a list of composite descriptions, please contact [sales@kbigi.com](mailto:sales@kbigi.com). **IMPORTANT RISK DISCLOSURE STATEMENT:** This material is provided for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to purchase any security, product or service including any group trust or fund managed by KBI Global Investors Ltd, or any of its affiliates (collectively, "KBI Global Investors"). The information contained herein does not set forth all of the risks associated with this strategy, and is qualified in its entirety by, and subject to, the information contained in other applicable disclosure documents relating to such a strategy. KBI Global Investors Ltd's investment products, like all investments, involve the risk of loss and may not be suitable for all investors, especially those who are unable to sustain a loss of their investment. The views expressed in this document are expressions of opinion only and should not be construed as investment advice. Past performance may not be a reliable guide to future performance and the value of investments may fall as well as rise. Investments denominated in foreign currencies are subject to changes in exchange rates that may have an adverse effect on the value, price or income of the product. Income generated from an investment may fluctuate in accordance with market conditions and taxation arrangements. Performance for periods of more than 1 year is annualized. All MSCI data is provided "as is". In no event shall MSCI, its affiliates, or any MSCI data provider have any liability of any kind in connection with the MSCI data. No further distribution or dissemination of the MSCI data is permitted without MSCI's prior express written consent. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The products mentioned in this Document may not be eligible for sale in some states or countries, nor suitable for all types of investors. In some tables and charts, due to rounding, the sum of the individual components may not appear to be equal to the stated total(s)

Please see link to the website for the five year composite returns: <https://www.kbiglobalinvestors.com/wp-content/uploads/2024/04/NR-Composite-Annual-returns-USD.pdf>